February 5, 2008

Elder A. Ghigiarelli, Jr.
Deputy Administrator
Federal Consistency Coordinator
Wetlands and Waterways Program
Maryland Department of the Environment
1800 Washington Boulevard
Baltimore, Maryland 21230

Re: Application Tracking Number: 200761377/07-NT-0125/07-WL-1304
AES Sparrows Point LNG, LLC and Mid-Atlantic Express, LLC
Supplemental Response to January 23, 2008 Proposed Dredging and Pipeline Construction Information Request

Dear Mr. Ghigiarelli:

As discussed in our letter to you dated January 25, 2008, enclosed for fling in the referenced proceedings are an original and five hard copies, as well as an electronic copy on CD, of the Response of AES Sparrows Point LNG, LLC and Mid-Atlantic Express, LLC (collectively "AES") to the Maryland Department of the Environment's letter dated January 23, 2008 requesting additional information on the AES application for a Tidal Wetlands License and a Nontidal Wetlands and Waterways permit. This submittal supplements our January 25 letter with additional and more detailed responses to each of the individual questions / comments in your January 23 letter.

If you have any questions regarding the attached materials please do not hesitate to contact me at 716.439.1273 x211.

Sincerely Yours,
AES Sparrows Point LNG, LLC
Mid-Atlantic Express Pipeline, LLC

Christopher Diez
Vice President

cc: Joanne Wachholder, FERC
Joe DaVia, ACOE
Tressa Ellis, Tidal Wetlands Division, WWP
Rich McLean, MDNR

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1. In response to item 1.a., AES notes that it cannot provide the requested information at this time because the optimal equipment arrangement for the DMRF is still being evaluated and final design has not been completed. Please provide final plans for the DMRF when they are completed.

Response:

Figure 1C-3, which was included in AES's response to Item 1.a of MDE's August 15, 2007 data request, shows the layout of the Dredged Material Recycling Facility ("DMRF") proposed to be designed, constructed, and operated by AES at Sparrows Point. That layout may now be considered "final" for purposes of MDE's review. For your convenience, a revised copy of Figure 1C-3 is included with this response.

Assuming that AES receives approval for the project, it will contract with an engineering firm to deliver Final Design Drawings, which will be stamped "Issued for Construction" and delivered to the construction contractor. The Issued for Construction Drawings will be used as the basis for construction. Once construction is completed, Final As-Built Drawings will be delivered by the contractor to AES to provide a final record of what has actually been installed. The Final As-Built Drawings, which are necessary as a base to make repairs for facility maintenance, will be required to reflect the same degree of detail as the original plans.

Note that the terms Final Design Drawings and Final As-Built Drawings are terms of art in the engineering and construction industry. They do not comport exactly with the usage of the terms in the regulatory context. In the regulatory context, the permitting agency is concerned with assessing potential impacts to the environment. Accordingly, the final design drawings submitted for agency review must contain sufficient information necessary to assess those potential impacts. In the engineering and construction context, a final design drawing is a type of drawing that is technical in nature, used to fully and clearly define requirements for engineered items, and is usually created in accordance with standardized conventions for layout, nomenclature, interpretation, appearance (such as typefaces and line styles), size, etc. Its purpose is to accurately and unambiguously capture all the geometric features of a product, component, or facility. The end goal of an engineering final design drawing is to convey all the required information that will allow a contractor to complete the work.

The drawing included with this response provides MDE with sufficient information to assess the potential environmental impacts associated with the DMRF.

2. The response to item 1.d. notes that AES will provide an updated figure showing the existing shoreline, old bulkhead, new bulkhead location, and mean high water. The response states there is no channelward encroachment of the bulkhead and that the demolished area may actually go back 40 feet from the existing shoreline/bulkhead. An updated cross section and final plans are required. Provide a bulkhead cross section showing the 40-foot area and a typical area.

Response:

Updated bulkhead cross sections and final plans are provided in Sheets P1 through P5 in 8.5-inch by 11-inch format, and included as Attachment 2 to this response. The information contained in the drawings is based on site visits, photographs, and other conditions based on surrounding construction types. These drawings, which depict the limits of construction so as to provide MDE sufficient information to assess potential impacts, demonstrate that there is no channelward encroachment of the bulkhead.

Assuming that AES receives approval for the project, it will contract with an engineering firm to deliver Final Design Drawings, which will be stamped "Issued for Construction" and delivered to the construction contractor. The Issued for Construction Drawings will be used as the basis for construction. Once construction is completed, Final As-Built Drawings will be delivered by the contractor to AES to provide a final record of what has actually been installed. The Final As-Built Drawings, which are necessary as a base to make repairs for facility maintenance, will be required to reflect the same degree of detail as the original plans.

3. The August 30, 2007 response to question #4 noted that AES was awaiting the results of new field sampling before providing MDE with an estimate of the amount of material in each classification (clays, silts, fine sand, coarse sand, shells, etc.). Further, although the response noted that AES has had numerous discussions with potential end users, no specific placement sites were provided and the response stated that correspondence/documentation of these discussions was not available.

MDE acknowledges receipt of the results of the additional field sampling and that the supplemental response dated December 4, 2007, provides the requested classification data and correspondence from two potential end users. Regarding the latter, the correspondence refers to accepting "environmentally approved" and "clean and approved non-hazardous" dredged material. Please provide a definition of "environmentally approved" and who the approving authority is. Also, please document that the recycled dredged material meets the definition of "clean and non-hazardous".

Response:

The two potential end use facility owners identified by AES in correspondence to MDE dated December 4, 2007 confirm their ability to receive "environmentally approved" dredged material (in the case of Waste Management's five named facilities; reference letter dated November 1, 2007 from Tom Foley of Waste Management to Dan Morrow of Clean Earth, Inc.) and "clean" or "approved non-hazardous" dredged material(in the case of Allied Waste's named facilities; reference inter-office memorandum dated September 6, 2007 from Tim Schotsch of Allied Waste to David Haskins, Allied Waste Landfill Sales Manager) from the Sparrows Point project in correspondence contained within that response.

The phrase "environmentally approved" as used in the Waste Management letter refers to the internal review and acceptance procedures of the respective end use placement sites as well as their respective facility operating permit requirements.[1] These requirements include physical and chemical thresholds that the material must meet for approval for acceptance into the individual facility. These thresholds vary further within the respective end use facilities based on the selected use(s) or disposal method(s) chosen for the material (i.e., use as alternate daily cover, construction material, or for land disposal). Waste Management's review of the data for the Sparrows Point project indicates the material is acceptable at the listed facilities. However, a final determination will be made upon actual application for acceptance of the material at the facility, including the final shipment schedule, at the time of execution of the project.

The phrase "clean and approved non-hazardous" as used in the Allied Waste memorandum has a similar definition as stated above. The correspondence that identifies the operating permit for the King and Queen Landfill[2] further clarifies that adequate capacity is available at the King and Queen facility to accommodate the majority if not all of the estimated dredge volume from the Sparrows Point project.

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[1] Operating permit for the Amelia Landfill: VADEQ Permit No. 540. Operating permit for the Charles City Landfill: VADEQ Permit No. 531. Operating permit for the Middle Peninsula Landfill: VADEQ Permit No. 572. Operating permit for the Atlantic Waste Disposal, Inc. facility: VADEQ Permit No. 562. Operating permit for the King George Landfill: VADEQ Permit No. 586.

[2] Operating permit for the King and Queen Landfill: VADEQ Permit No. 554.

Documentation that the processed dredged material meets the definition of "clean and non-hazardous" is provided in the analytical data previously submitted by AES to MDE in the original sediment results contained in Resource Report 2 of the January 2007 FERC filing copied to MDE, and in the 2007 data provided to MDE in our data submittals of September 26, 2007 and October 12, 2007. None of the values listed for sediment sample analyses exceed thresholds that would render the sediment as hazardous. Further, sediment from this same location and of the same chemical character has been dredged as recently as December 2006 to January 2007 under approved permits issued by the U.S. Army Corps of Engineers, MDE, and the Maryland Board of Public Works, and placed at Hart-Miller Island as part of the overall plan to establish additional habitat for shore and migratory bird populations, a use incompatible with disposal of hazardous waste.

4. The AES response to question #5 notes that the majority of the proposed dredged material disposal/beneficial use sites have regulatory requirements for characterization of inbound materials prior to acceptance. The response further states that, "In situations where no characterization requirements exist, AES may perform its own QC to ensure that the material meets the specifications agreed upon by the end user(s) or may require that the end user(s) perform appropriate testing. The selection as to which party would implement the QC practices in this latter situation would be decided on a case-by-case basis." (underline added). Please note that MDE will require QC testing on processed material prior to shipment for disposal/upland beneficial use. Further, MDE approval will be required for each disposal site proposed for receipt of the processed dredged material.

The response also states that the additives create a matrix that binds contaminants and "significantly reduces or eliminates the potential for leaching of the contaminants to the environment. Contaminants generally become more tightly bound to the matrix preventing significant levels from leaching into aquifers and water bodies or otherwise becoming biologically available." (underlines added). Please note that the potential for leaching of contaminants from the processed dredged material is a serious concern to MDE.

Finally, the last paragraph of this response refers to "DMRFs" in the New York/New Jersey Harbor area. It was MDE's understanding that the New Jersey DMRF was the only facility in this area. Please provide information on the other DMRF's and the disposal sites for these facilities, if different from those already identified in the information provided to date. This paragraph notes that these "DMRFs" have processed over 6 million cubic yards of dredged material for beneficial use at over 20 locations in New York, New Jersey, and Pennsylvania within the past seven years. None of these locations have reported any problems with leachate formation."

First, with regard to over 6 million cubic yards of material from DMRFs being disposed at 20 locations in New York, New Jersey and Pennsylvania, it is significant to note that AES is proposing to dispose of over 4 million cubic yards of dredged material to be processed from one facility at Sparrows Point. Second, are the twenty locations referenced monitoring for potential leachate problems? Finally, the supplemental information dated December 4, 2007, identifies seven landfill sites in Virginia. Why are there no sites from New York, New Jersey, or Pennsylvania identified as potential end users?

Response:

Regarding MDE's comments in the first paragraph of its Data Request No. 4, AES will be pleased to work with MDE on establishing a reasonable and appropriate Quality Control program.

AES notes that jurisdictional issues may arise regarding MDE's attempt to exercise approval over a non-Maryland disposal site. No similar jurisdictional issues would be involved with MDE approval of end use sites located in Maryland; however, established regulatory schemes and/or existing operating permit requirements might come into play at upland disposals sites in Maryland.

Regarding MDE's comments in the second paragraph of its Data Request No. 4, AES has been

informed on several occasions that potential leaching of contaminants from the processed dredged material is a concern to MDE. As has been previously stated, dredged material end use sites have established formal regulatory requirements for characterization of inbound materials prior to acceptance. AES reaffirms its commitment to conduct characterization testing in accordance with individual upland disposal facility requirements and associated regulatory requirements, including those reasonable and appropriate QC programs required by MDE. In all events, AES will provide characterization data to the end use site owner/operator and otherwise abide by all applicable regulations.

With respect to leachate testing, current regulatory requirements for processing and upland disposal or innovative use of dredged material from the New York /New Jersey Harbor area mandates in-situ characterization of bulk sediment chemistry (totals analyses) and submittal of the analytical results to the respective regulatory agencies for review in conjunction with the issuance of approval for each project. Additionally, a portion (aliquots) of the samples are required to be processed in the laboratory on a bench-scale with the proposed treatment additives (e.g., Portland cement) to be used in the processing of material from the project, with the resulting dredged material "product" samples subjected to another round of bulk chemistry testing (totals analyses) and multi-stage leachate testing using the Synthetic Precipitation Leaching Procedure ("SPLP") extraction fluid (called a "modified multiple extraction procedure, or "MMEP" test). This regulatory testing regimen has been used in these other example cases to identify and predict the potential for leaching of the processed dredged material product in an upland environment over time, and was reviewed by the regulatory agencies in conjunction with the issuance of approval for each project. As such, the potential for leaching was evaluated and approved prior to the dredging, processing, and placement of the processed dredged material; therefore, monitoring of the placement sites specifically for leachate resulting from the processed dredged material has not been required.

Regarding MDE's comment in the third paragraph of its Data Request No. 4, there are currently three operating DMRFs in the New York/New Jersey Harbor area; however, only the Clean Earth facility located on the Claremont Channel uses the pugmill process described by AES in its application materials. Accordingly, AES believes that the descriptive information it has provided to MDE regarding the Clean Earth facility is entirely appropriate for MDE to complete it review of the AES project.

Regarding MDE's comments in the fourth paragraph of its Data Request No. 4, MDE is correct in noting that AES has proposed to deliver processed dredged material from one facility. The throughput calculations, including a description of the bulking factor used, have been previously provided to MDE. See AES August 30, 2007 Response to MDE Data Request 3b. See also AES letter to MDE dated December 4, 2007 confirming the in-place amount of material proposed to be dredged.

Of the twenty locations in New York, New Jersey, and Pennsylvania where processed dredged material from New York/New Jersey Harbor has been disposed, two facilities required post-processing leachate testing and monitoring of ground water in the placement areas. The first location, the Bark Camp Mine Reclamation Project in Pennsylvania, was a demonstration project sponsored by a public-private partnership consisting of the Pennsylvania Department of Environmental Protection, the New York/New Jersey Clean Ocean and Shore Trust (a bi-state

marine resources commission) and Clean Earth Dredging Technologies, Inc. The monitoring was deemed appropriate as part of the demonstration that no leaching problems would occur. Since 1998, when disposal activities first began, to the present date, there have been no leaching problems associated with the dredged material. At the second location, the Penn and Fountain Avenue Landfill Closure Projects in New York, post processing testing was required as a permit condition for the receipt of inbound material to be used as grading fill. This requirement was based on a pre-exisiting landfill closure approval issued by NYSDEC that required a higher frequency of testing for imported fill material than the available in-situ sediment characterization testing that was performed as part of the dredging permit requirements the dredging project. As such, additional frequency testing for the post –processed dredged material was required and performed.

In its August 15, 2007 Data Request 4a, MDE requested correspondence from end users to provide assurance that the processed dredged material would "be accepted somewhere." AES's December 4, 2007 response provided the requested assurance for the total amount of the material to be processed. In specific response to MDE's question contained in the last paragraph of its January 23, 2008 Data Request No. 4 as to why AES has not identified sites from New York, New Jersey, or Pennsylvania as potential end users, AES was not requested to do so by MDE nor is there any law or regulation that requires such identification.

5. In response to question #6, regarding the backhoe dredge area near shore, the response notes that the dredging method and final volume estimates will be confirmed during the final design. Currently, AES states that a 67,332 square foot area will be dredged to -45' at MLW for a total of 74,813 cubic yards of material. In addition to finalizing the dredging method and final volumes, please provide a cross section of this area showing the existing pier, existing water depth, and proposed water depth.

Response:

Updated cross sections showing the existing pier, existing water depths, and proposed water depths are included in Attachment 2 to this response on Sheets P1 through P5 in 8.5-inch by 11-inch. The dredging in this area, i.e., near shore, will be completed by backhoe dredge and is estimated to be 74,813 cubic yards based on bathymetric surveys completed in January 2007 and verified by soundings conducted during sediment tests conducted by AES in August 2007. Assuming that AES receives approval for the project, it will perform another survey prior to dredging and quantify any changes in dredge quantities caused by sedimentation or shoaling or other changed conditions in this area prior to initiation of dredge activities.

6. MDE appreciates the additional information provided in response to question #8. The Department will coordinate with the National Marine Fisheries Service and other State/federal review agencies regarding the project's potential impacts on the Fort Carroll Oyster Restoration project.

Response:

MDE Data Request No. 6 is a comment as opposed to a question or data request.

AES understands that MDE will consult with National Marine Fisheries Service and other State/federal review agencies on this issue, and trusts that the results of those consultations will be provided to AES. Should MDE require AES's assistance with those meetings, we would be available or provide resources in support of those meetings.

7. In response to MDE's question #11, please inform MDE if navigational aids are reconfigured during the final design phase.

Response:

MDE Data Request No. 7 is more comment than question or data request.

The simulation exercise described in AES's August 30, 2007 response to MDE Data Request No. 11 included Maryland Pilots and other maritime professionals. The location of the navigational aides was revised several times during the exercise. The optimization process led to the placement of the navigation aides as depicted in our response. While the future simulation exercises mentioned in AES's prior response will involve other Maryland Pilots and other maritime professionals than were involved in the initial simulation exercise, AES does not believe that the results of the future exercises will require movement of those aides. Of course, should the location of any of the navigation aides change, AES will inform MDE.

8. The response to comment #12 notes that the pipeline route crosses a tidal wetland at MP 8.62. Although AES proposes to utilize horizontal directional drilling at this crossing, MDE staff will visit this site.

Response:

MDE Data Request No. 8 is a comment as opposed to a question or data request.

The location of crossing at MP 8.62 is easily recognized as an existing utility corridor crossing the Back River on the west side of the I-695 bridge over the Back River. Utilities that currently exist and cross the Back River at this location include overhead electrical transmission lines, an underground natural gas transmission pipeline, and water and sewer lines.[3] The horizontal directional drill crossing has been located so as to cross the river (while avoiding these other utilities) in a safe and environmentally protective manner.

AES understands that all proposed wetland construction is subject to field verification by MDE, and stands by to provide necessary resources in support of those field verifications as previously offered.

[3] Slightly further west of the proposed AES crossing is a crossing location of a regional railroad.

9. Although the response to item #14 recognizes that there will be some permanent conversion of forested nontidal wetlands resulting from the pipeline, quantification of these impacts has not been provided. MDE reiterates that conversion impacts must be quantified and mitigation for conversion impacts will be required.

Response:

As stated in the response to Data Request No. 14 of the August 15, 2007 MDE Data Request, there will be a limited amount of cover conversion in forested wetlands where full size trees will not be permitted to grow back in the permanently maintained Pipeline right-of-way. Industry standard practice is to restore grade, drainage, and topsoil conditions and allow natural successional processes to restore the cover to an emergent to scrub-shrub condition. As trees reach a height of over 15 feet, they are selectively removed from the zone within 15 feet of the Pipeline centerline.

AES originally quantified this information as permanent impacts to forested Wetland types (PFO) in Table 2.5.2-1 of Resource Report 2, *Water Use and Quality*, as well as Table 2.5.2-1 of the CRFA Application. Based on a request from the COE, AES further clarified the impacts/habitat conversion by quantifying the wetland impacts in each state (Maryland and Pennsylvania) as opposed to the project as a whole. The revised Table 2.5.2-1 was included as Attachment 25 to AES Response to the U.S. Army Corps of Engineers ("ACOE") July 3, 2007 Data Request which was submitted on July 21, 2007 (including a copy to MDE).

For your convenience, the tables are re-submitted to MDE as Attachment 9 to this response. Please note footnote "c" of Table 2.5.2-1 which states: "Permanent wetland impacts are based on permanent fill and cover type conversion within 30 ft. of the permanent ROW from forested wetland types to another wetland type." (emphasis added)

Additionally, as stated in the AES response to Comment No. 14 of the August 15, 2007 MDE Data Request, AES proposes to work in conjunction with the MDE to develop appropriate mitigation to offset the limited impact to forested wetland functions and values that will occur as a result of the Pipeline. This offer is repeated here and AES stands ready to meet with MDE and advance this process at any reasonable date and time.

10. The response to item #15 reiterates that floodplain and wetland impacts, including regulated buffers, will be updated upon completion of additional survey activities and final design. Further, surveys have not been completed on approximately 20% of the pipeline route due to denial of access by property owners. In this regard, the response states, "Assuming FERC approves the Project and issues a certificate of public convenience and necessity, AES will complete land owner agreements and obtain access to the properties at that time, the impacts to wetlands and water body areas will be refined and resubmitted to MDE and the ACOE, and the appropriate mitigation measures will be updated as appropriate." The application for a Nontidal Wetlands and Waterways Permit will remain incomplete until this data/information is provided to MDE.

Response:

As stated to MDE in prior correspondence and, most recently, at the interagency meeting held on August 1, 2007 at which MDE was in attendance, on-ground survey information on tracts of land for which AES has not been granted access permission is not possible. In those situations, AES reviewed detailed background information including National Wetlands Inventory Maps, USGS Maps, and USDA SCS Soil Surveys to identify the approximate locations and extent of wetlands. The impacts to wetlands and streams that occur in these areas and the area calculations were determined by available remote sensing data and desktop analysis. AES conservatively estimated the potential impacts to these areas based on a typical project right-of-way crossing footprint, and included those quantifications in materials delivered to MDE. As discussed at our meeting with the U.S. Army Corps of Engineers ("ACOE"), U.S. Environmental Protection Agency ("EPA"), Federal Energy Regulatory Commission ("FERC"), and MDE on August 1, 2007, the accepted procedure, as outlined by FERC, is that access to these properties is obtained following issuance of the FERC Certificate and on-the-ground surveys are then completed to confirm the wetlands characterization information provided in the submittals already made.

The process described above was again discussed and affirmed with FERC and the ACOE at the Technical Conference with FERC on January 15, 2008.[4] At that meeting it was noted that sophisticated mapping techniques allow calculation of the impacts to wetlands, water bodies, and floodplain areas. These advanced techniques, which were not available when the practice was first accepted, provide a solid and defensible basis for regulatory agencies to properly assess, and, if necessary, identify mitigation measures in situations such as presented in the AES application. AES has used these techniques to conservatively calculate the wetland and water body impacts for those areas for which access permission has not yet been granted. The conservative calculations are sufficient for complete regulatory review.

Use of these conservative survey techniques is the only practical means by which to describe, review, and process a linear infrastructure project such as a pipeline (proposed here), an electric transmission line, or similar utility. For example, with respect to the application for the recent expansion of the Cove Point LNG facility in Calvert County, Maryland, the applicant filed its FERC Application in April 2005 within which it is indicated that the applicant initiated consultation with MDE in October of 2004, would file its Clean Water Act Section 401

[4] AES notes that MDE was not represented at the January 15, 2008 Technical Conference, though it had signed up to attend. The notice of the technical conference was published is the Federal Register, noticed on the FERC website and made available to those entities on the FERC Notice List.

Application with MDE in September 2005, would file Air Permit Applications in September 2005, and would file its hydrotest water withdrawal and discharge permit applications in 2007. FERC issued the Cove Point Expansion Project DEIS on October 28, 2005, and the surveys for wetlands and waterbodies as well as cultural resource surveys were incomplete at that point. This recent and comparable example indicates that MDE did not have complete surveys or even applications to review when the applicant for the Cove Point expansion project initiated the FERC application review process; information for individual properties where access was not be available followed FERC Certificate issuance.

Filing, review, and processing of applications for linear projects without complete on-ground surveys is also a matter of routine occurrence before the FERC and other agencies that involve themselves in review of linear projects in other jurisdictions. For example, in a recent application to the FERC, the project proponent advised that "some areas in New Jersey were not surveyed because of lack of landowner permission or because they were recent revisions to the proposed pipeline construction." *Transcontinental Gas Pipeline Corp.*, Leidy to Long Island Project, Resource Report 4, 4-7 (Dec. 7, 2005) (Docket No. CP06-34-000). Similarly, another applicant advised that "the two Berne CS Discharge ware yard options were not surveyed due to lack of landowner permission; these will be surveyed when they become available, and will he reported upon in a supplemental report." *Texas Eastern Transmission L.P.*, Phase I Archeological Survey and Architectural Reconnaissance for the Proposed Time II Project, Monroe County, Ohio (July 20, 2006) (Docket No. CP06-115-000). In both of these cases, and in numerous others, this lack of completed on-ground surveys did not serve as a bar to the processing of the applications.

Assuming the FERC Certificate is issued to AES, arrangements will be made to perform the on-ground surveys. AES will provide timely notification to MDE and ACOE as to the dates of the surveys.

11. MDE's comment #16 and the AES response regards impacts to wetlands, waterways, and floodplains resulting from the proposed pipeline and MDE's position that the application for Nontidal Wetlands and Waterways authorization is incomplete until on-ground surveys are completed and the information is provided. (see previous comment #10). MDE will continue to participate in the NEPA process for the project, but will not render a decision on the application until this data/information is available and provided to MDE in support of the permit application.

Response:

AES respectfully disagrees that it has not provided information on impacts to wetlands, waterways, and floodplains resulting from the proposed pipeline. See response to Data Request No. 10 above. Detailed information using established databases and sophisticated mapping techniques has been provided to MDE in several formats and on several occasions through this application process. The pipeline routing process was carried out by compiling and reviewing extensive federal, Maryland, Pennsylvania, and county Geographic Information System ("GIS") databases of natural, geographic, and cultural resources and determining established rights of way (to maximize use of) and sensitive resources (to avoid or minimize impact to). The results were used to select pipeline routing that provided several alternatives for consideration and avoidance of potential impacts.

Compilations of data concerning both preferred and alternative routes, including specific and aggregate impacts associated with each route alternative, are presented in the original AES filing with the FERC of January 2007, which was also submitted to MDE. In addition, AES has provided this information in different forms on several occasions in response to agency data requests; all of these filings have been delivered directly or copied to MDE. Specifically with respect to wetlands, waterways, and floodplains, AES provided description of criteria used in avoiding and minimizing impacts to wetlands and waterbodies in response to Data Request No. 17 of the MDE August 15, 2007 Data Request, and potential impacts to wetlands quantified in response to Data Request No. 15 of the same document. Recent updates specifically associated with potential route variations were similarly provided in AES submittals to the State Highway Administration ("SHA"), also copied to MDE on December 10, 2007.[5]

Overall, all reasonable efforts have been made to provide adequate data to assess project scale, the potential impacts that may be associated with the project, and allow determination of mitigation that may be necessary to address the actual impacts. The volume and detail of information provided by AES is sufficient to assess the potential environmental impacts associated with the pipeline,

AES appreciates MDE's position that final approval is conditioned upon on-ground surveys for properties not accessible due to lack of land owner permission at this time. Such position is consistent with accepted regulatory practice for linear infrastructure projects.

[5] The variations described in the SHA application were required as part of the SHA process. In addition to identifying a preferred route that ran longitudinally in the SHA controlled access right-of-way ("CAROW"), AES also described a route that avoided the CAROW entirely and another route that maximized the use of the CAROW.

12. In response to Comment #17, MDE appreciates the additional information on the specific screening criteria used to evaluate pipeline route variations. However, MDE is in receipt of FERC's October 22, 2007, letter regarding potential denial of access to the 1-695 corridor by the State Highway Administration (SHA). MDE acknowledges receipt of the AES response to this letter and the AES information submitted to FERC on alternatives to the 1-695 corridor if SHA does not grant access. Please provide wetlands and waterways impact information on these alternatives if SHA does not grant access to its right-of-way.

Response:

AES utilized the same specific screening criteria clarified in the response to Comment No. 17 of the MDE August 15, 2007 Data Request to evaluate the alternatives to the I-695 corridor noted by MDE in its Data Request No. 12. This information was presented in the Resource Report 10, *Alternatives*, Addendum 1 filed with the FERC (and copied to the MDE) on November 19, 2007. The environmental comparisons are summarized in the revised Table 10.6.4-1, included in the Addendum to Resource Report 10, and specifically indicate the number of wetlands and waterbodies crossed and the associated total length of wetlands and waterbodies crossed associated with each alternative.

Additionally, as summarized in the minutes of the January 15, 2007 FERC - Sparrows Point Import Terminal and Mid-Atlantic Express Pipeline Project (CP07-62-000 and CP07-63-000) Technical Conference the status of the pipeline corridor in the SHA right-of-way section was specifically discussed. AES stated that SHA is processing its application on schedule and AES is not aware of any significant issues with this application.

13. In response to comment #18, please provide MDE with concurrence of the National Marine Fisheries Service concurrence on the feasibility of using HDD at the waterway crossings in question.

Response:

As stated in its August 30, 2007 response to MDE Data Request No. 18, AES initiated follow-up consultation regarding the proposed crossing methods at each location in communications with Mr. John Nichols of the National Marine Fisheries Service ('NMFS") between April 7 and June 7, 2006, and again consulted with Mr. Nichols on May 21, 2007 as to the status of NMFS review of submitted materials. In the May 2007 consultation, Mr. Nichols indicated that NMFS was in the process of reviewing the application materials submitted by AES, and would provide questions or comments when their initial review was complete.

AES Representatives again contacted Mr. Nichols on February 1, 2008 at which time Mr. Nichols indicated that he was awaiting formal documents from FERC for his review and comment. During the call Mr. Nichols reiterated the general concerns of NMFS expressed in earlier conversations, including interest in measures to protect migratory fish, interest in horizontal directional drilling ("HDD") as a favored method for crossings (while acknowledging that open cut methods may be used provided that measures for backfill, time of year and material handling are addressed), and interest in receiving site-specific plans for HDD crossings. Note that these areas of interest have been included in the Resource Reports submitted with the original AES January 2007 filing with the FERC, particularly in Resource Report 1, *General Project Description*, Resource Report 2, *Water Use and Quality*, and Resource Report 3, *Fish, Wildlife, and Vegetation*, including Best Management Plan ("BMP") procedures for water body crossings and HDD crossing information specific to the pipeline project attached to Resource Report 2.

AES has not received additional formal communications from Mr. Nichols or NMFS regarding the proposed crossing methods. AES will continue to consult with NMFS regarding the proposed waterbody crossing method determinations and the status of NMFS concurrence with the methods. When available, AES will provide MDE with additional information on the outcome of AES's coordination with NMFS on the feasibility of using HDD at the other locations that NMFS has requested that HDD be utilized.

14. The response to comment #23 notes that the Certification of Notification Form will be returned to MDE when the final pipeline route is determined and a final list of affected property owners are notified. As AES is aware, the application remains incomplete until the Certification of Notification Form is completed and returned to MDE.

Response:

As a participant in the NEPA process and as the lead Maryland agency responsible for reviewing the pipeline route, including potential variations thereof, MDE and others have the ability to suggest or impose changes that would affect the final list of affected property owners. This potential for change in the pipeline route were noted in AES's response to Data Request No. 23 contained in the MDE August 15, 2007 Data Request.

Given MDE's stated insistence that submittal of the Certification of Notification Form is a requirement for a complete application, AES will provide same based on the preferred pipeline route currently described in its application materials at the soonest practical time. To the extent that changes are required in the pipeline route, and those changes affect the list of contiguous property owners and/or appropriate local officials, AES will deliver additional notice to the affected landowner(s), then complete and return a revised Certification of Notification Form to MDE.

15. The response to comment #24 states that the proposed pipeline crosses one Tier II waterway - Deer Creek in Harford County. MDE notes that the final crossing method has not been determined because the area has not yet been surveyed.

Response:

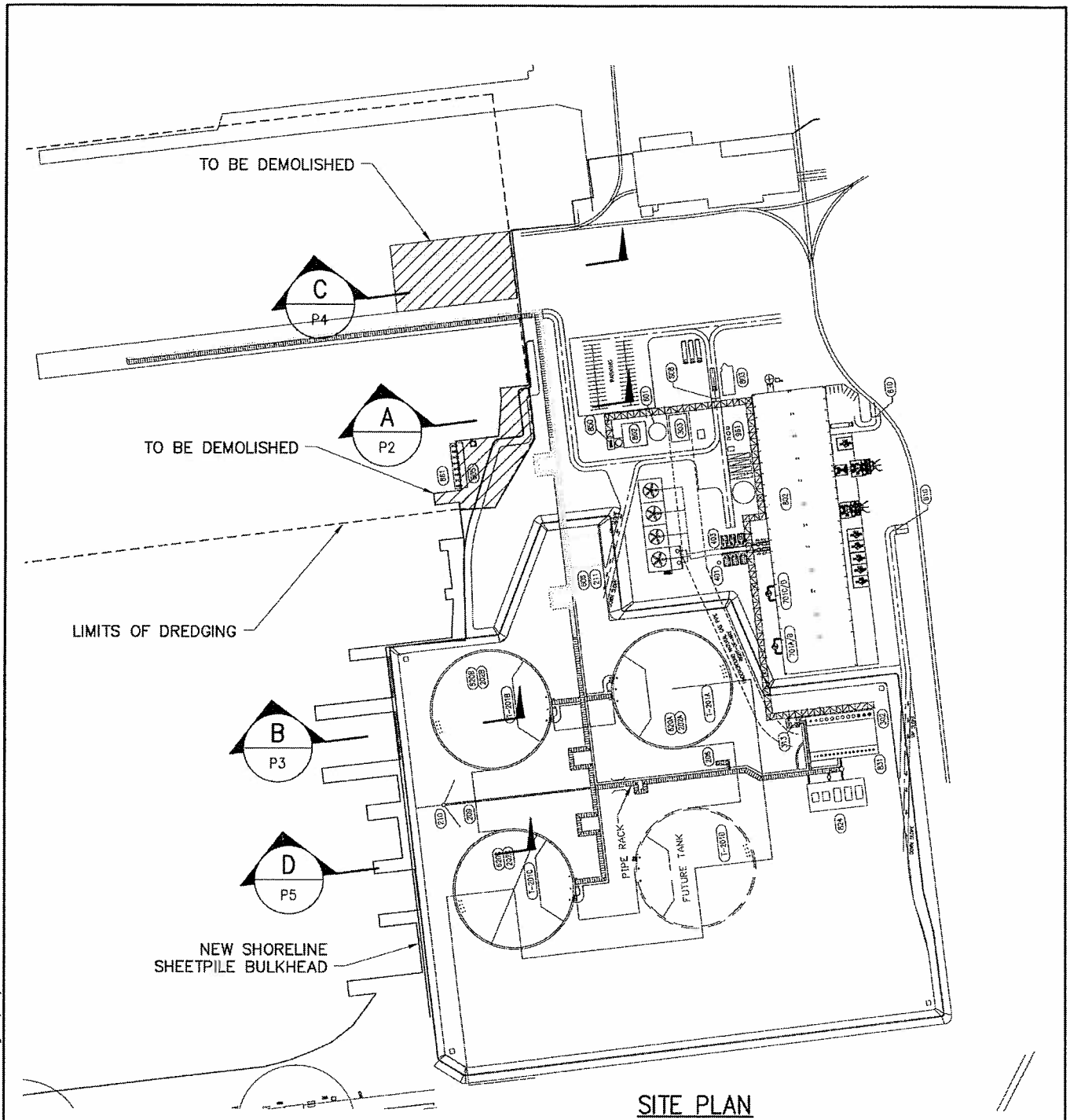
MDE Data Request No. 15 is a comment as opposed to a question or data request.

AES acknowledges MDE's note that the Deer Creek crossing location has not yet been surveyed; therefore, the final crossing method has not yet been determined.

As stated in Resource Report 2, *Water Use and Quality*, and the Responses to MDE's first Data Request dated May 7, 2007, AES employed construction engineers, environmental scientists, and horizontal directional drill ("HDD") specialists to evaluate the various waterbody crossings along the proposed route. As discussed in Resource Report 2, section 2.4.1, the evaluation was completed per FERC's Wetland and Waterbody Construction and Mitigation Procedures (1/17/2003 Version) in Appendix 2A.

The evaluation was based on waterbody width and classification (i.e., minor, intermediate, major) as discussed in section 2.02 of Appendix 2E and FERC Procedures in Appendix 2A. The crossing method selected would be the method that provides the least disturbance and most expedient crossing to minimize overall impact. AES evaluated the use of HDD crossing at Deer Creek to avoid impacts to natural resources. The Deer Creek crossing, while exhibiting strong natural resource value, is an intermediate crossing (less than 100 feet), and has a crossing configuration (steep side slopes for a narrow crossing) that would present potential greater disruption to areas used for residential and other land use in adjacent land that would require additional work space for construction using an HDD method. In addition, the duration of crossing would also be longer for an HDD crossing method than with other dry crossing methods such as dam-and-pump or flumed crossing methods. On this basis, AES believes these other dry crossing methods can properly protect the resources at the Deer Creek crossing location and accomplish crossing in a shorter timeframe than an HDD crossing. The final crossing method will be determined following completion of field surveys once property access is granted.

AES will continue to work with MDE to determine the appropriate crossing method for the waterway.



SITE PLAN
SCALE: N.T.S.

PURPOSE: PROPOSED NEW BULKHEAD PREPARED BY HPA NEW YORK, NY	AES CORPORATION SPARROWS POINT LNG BALTIMORE, MARYLAND PROJECT SITE PLAN	PROPOSED: SPARROWS POINT LNG FACILITY CITY: BALTIMORE, MD COUNTY: BALTIMORE APPLICANT: AES CORPORATION SHEET P1 OF 5 DATE: 2/1/08

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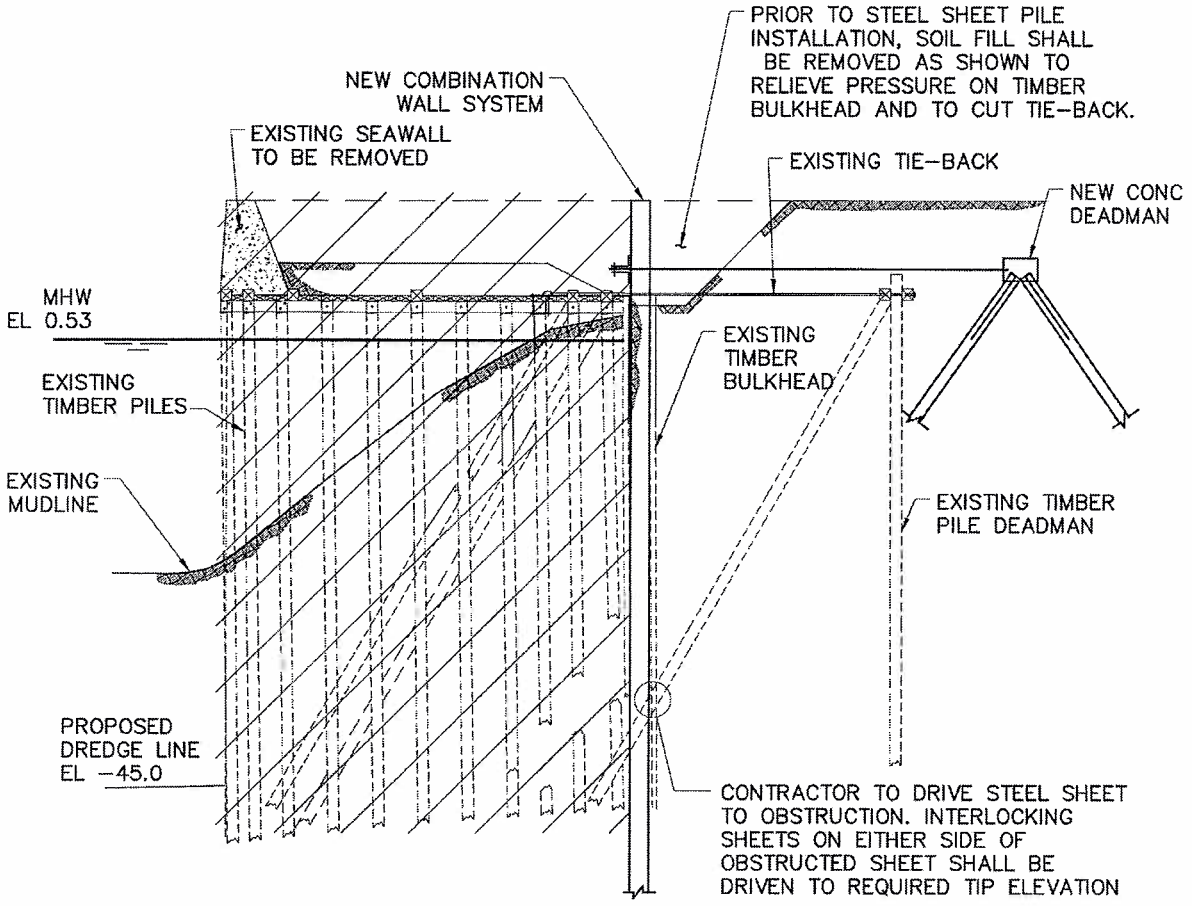

TYPICAL SECTION A-A

SCALE 1/16"=1'-0"

NOTE:

FIGURE DEPICTED IS BASED ON SITE VISITS, PHOTOGRAPHS, AND ASSUMPTIONS AND MAY NOT REFLECT ACTUAL CONDITIONS.

1/16"=1'-0" 0 10 20 30 FT.

PURPOSE: PROPOSED NEW BULKHEAD PREPARED BY HPA NEW YORK, NY	AES CORPORATION SPARROWS POINT LNG BALTIMORE, MARYLAND COMBINATION WALL BULKHEAD SECTION A-A	PROPOSED: SPARROWS POINT LNG FACILITY CITY: BALTIMORE, MD COUNTY: BALTIMORE APPLICANT: AES CORPORATION SHEET P2 OF 5 DATE: 2/1/08

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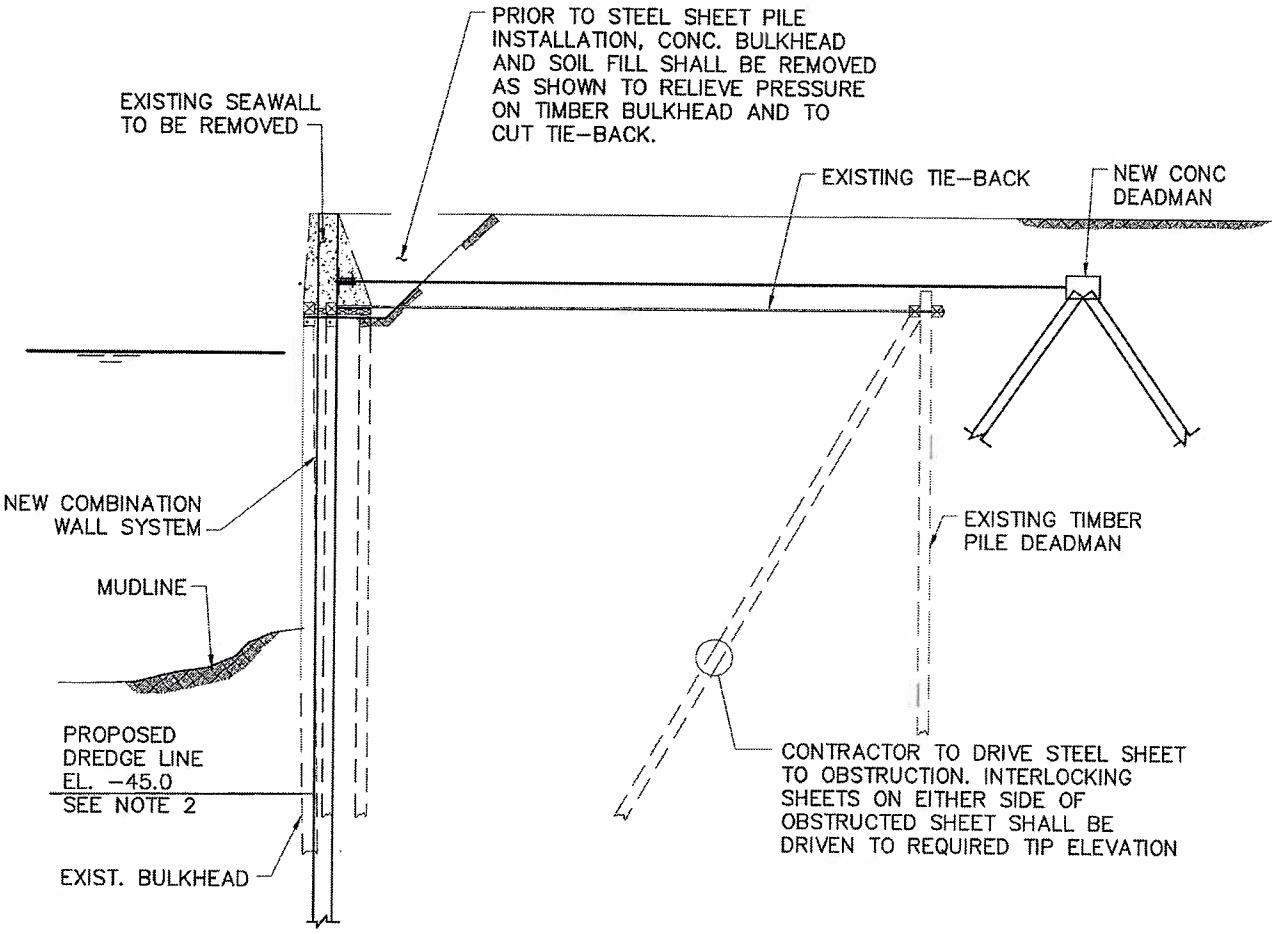

TYPICAL SECTION B-B

SCALE 1/16"=1'-0"

NOTES:

1. FIGURE DEPICTED IS BASED ON SITE VISITS, PHOTOGRAPHS, AND ASSUMPTIONSAND MAY NOT REFLECT ACTUAL CONDITIONS.
2. PROPOSED DREDGE DEPTH IS LIMITED TO DREDGE AREA SHOWN ON SHEET P1.

1/16"=1'-0" 0 10 20 30 FT.

PURPOSE: PROPOSED NEW BULKHEAD PREPARED BY HPA NEW YORK, NY	AES CORPORATION SPARROWS POINT LNG BALTIMORE, MARYLAND COMBINATION WALL BULKHEAD SECTION B-B	PROPOSED: SPARROWS POINT LNG FACILITY CITY: BALTIMORE, MD COUNTY: BALTIMORE APPLICANT: AES CORPORATION SHEET P3 OF 5 DATE: 2/1/08

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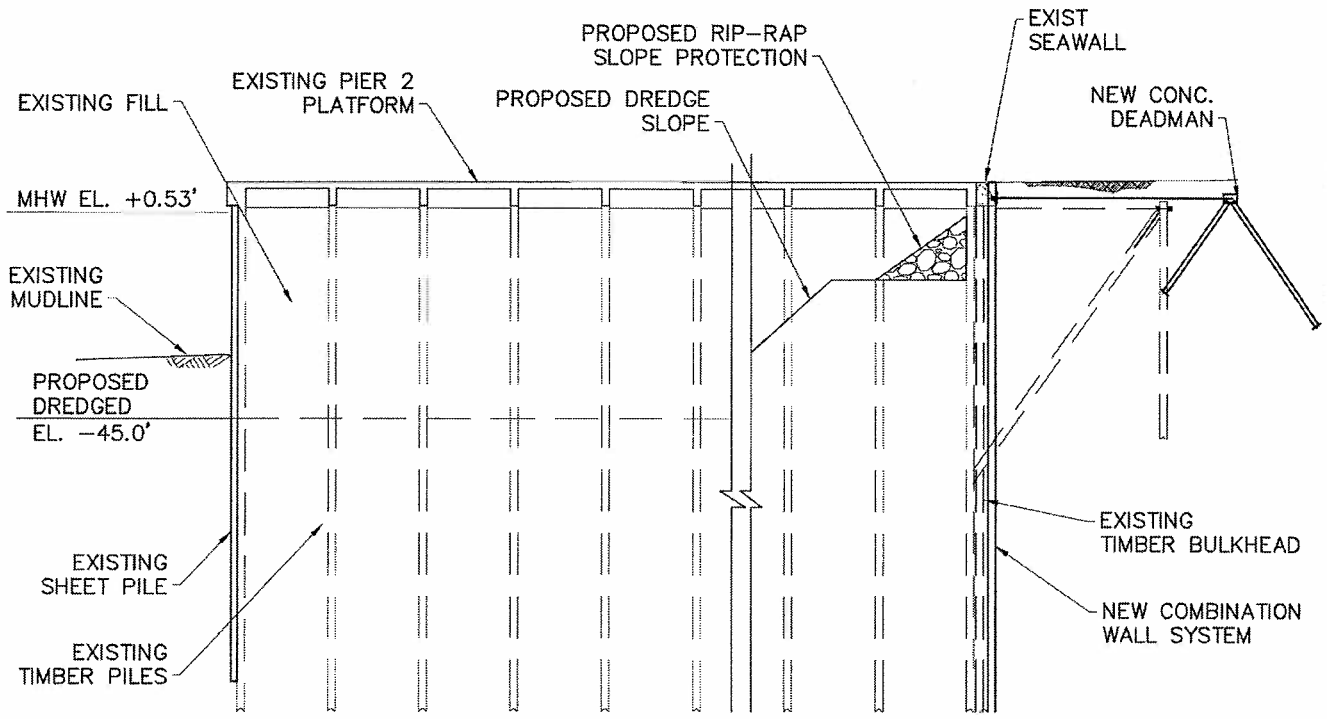

NOTE:

FIGURE DEPICTED IS BASED ON SITE VISITS, PHOTOGRAPHS, AND ASSUMPTIONS AND MAY NOT REFLECT ACTUAL CONDITIONS.

SECTION C-C

SCALE: 1"=40'-0

FOR INFORMATION NOT SHOWN SEE SHEET P2

1"=40' 0 40 80 FT.

PURPOSE: PROPOSED NEW BULKHEAD PREPARED BY HPA NEW YORK, NY	AES CORPORATION SPARROWS POINT LNG BALTIMORE, MARYLAND COMBINATION WALL BULKHEAD SECTION C-C	PROPOSED: SPARROWS POINT LNG FACILITY CITY: BALTIMORE, MD COUNTY: BALTIMORE APPLICANT: AES CORPORATION SHEET P4 OF 5 DATE: 2/1/08

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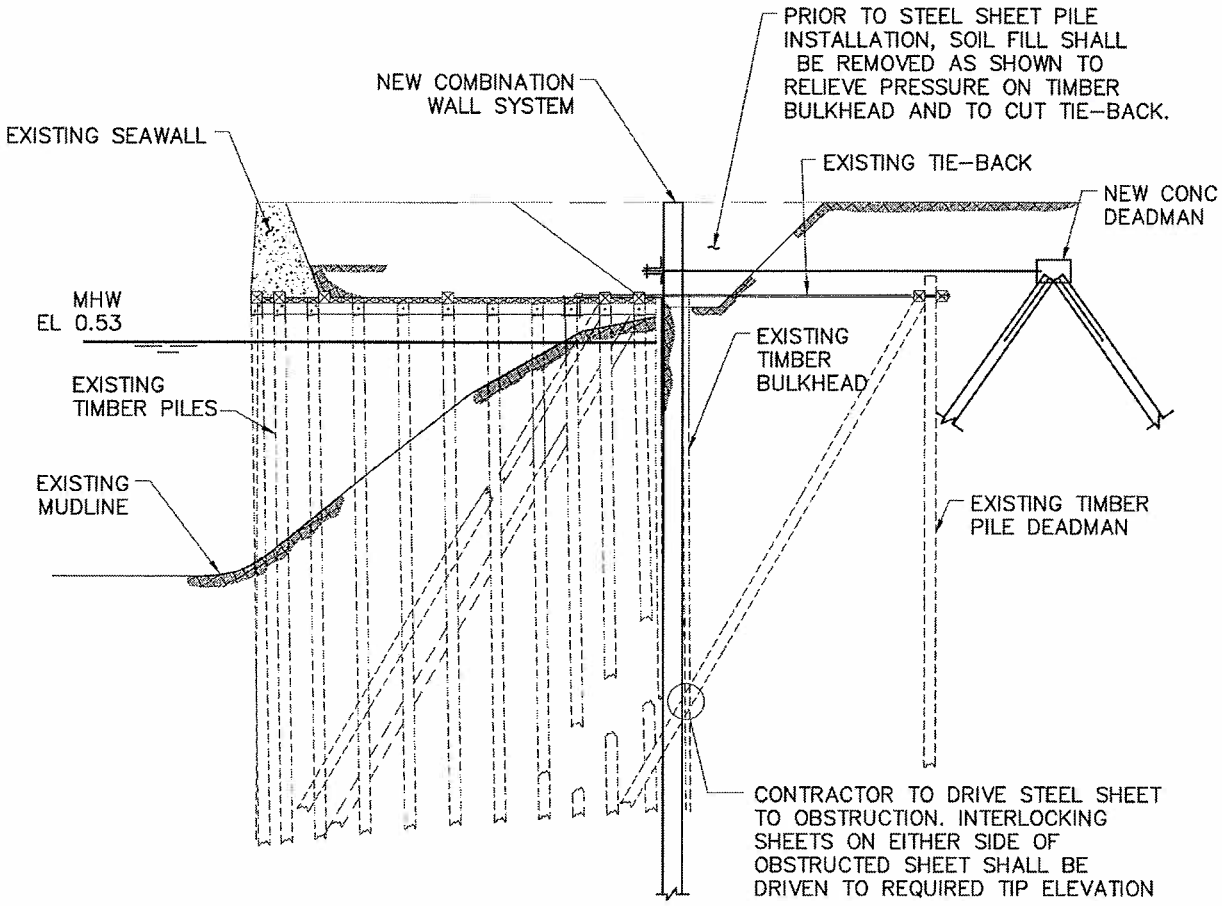

TYPICAL SECTION D-D

SCALE 1/16"=1'-0"

NOTE:

FIGURE DEPICTED IS BASED ON SITE VISITS, PHOTOGRAPHS, AND ASSUMPTIONS AND MAY NOT REFLECT ACTUAL CONDITIONS.

1/16"=1'-0" 0 10 20 30 FT.

PURPOSE: PROPOSED NEW BULKHEAD PREPARED BY HPA NEW YORK, NY	AES CORPORATION SPARROWS POINT LNG BALTIMORE, MARYLAND COMBINATION WALL BULKHEAD SECTION D-D	PROPOSED: SPARROWS POINT LNG FACILITY CITY: BALTIMORE, MD COUNTY: BALTIMORE APPLICANT: AES CORPORATION SHEET P5 OF 5 DATE: 2/1/08

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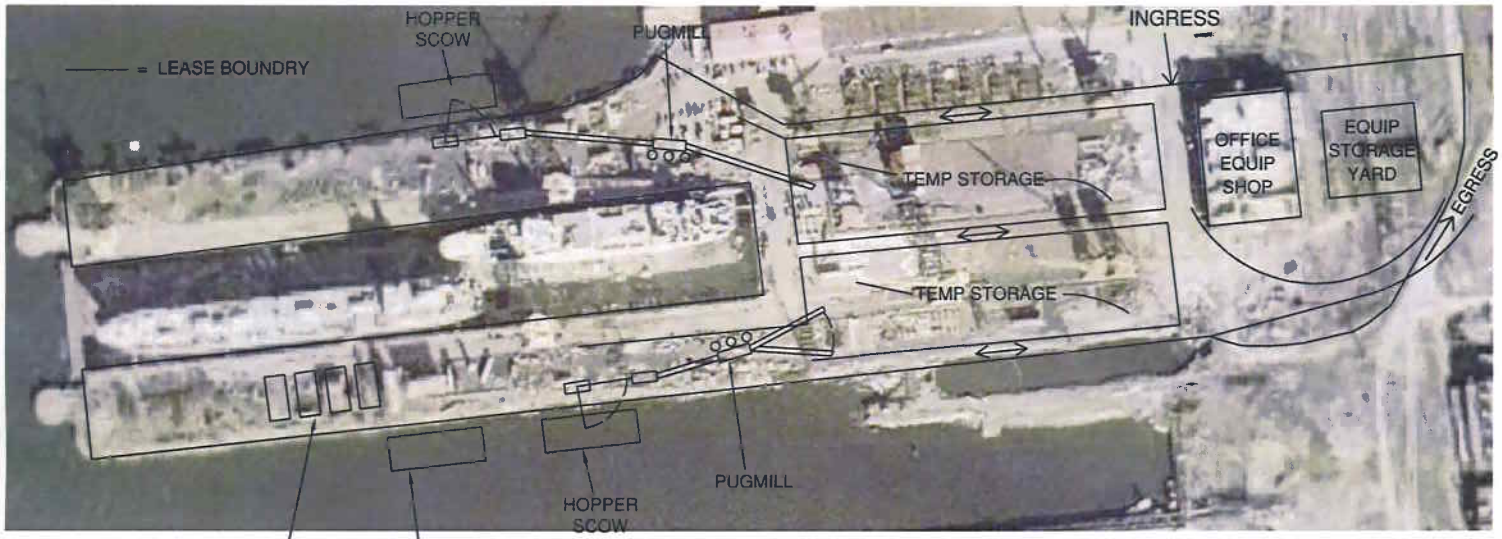
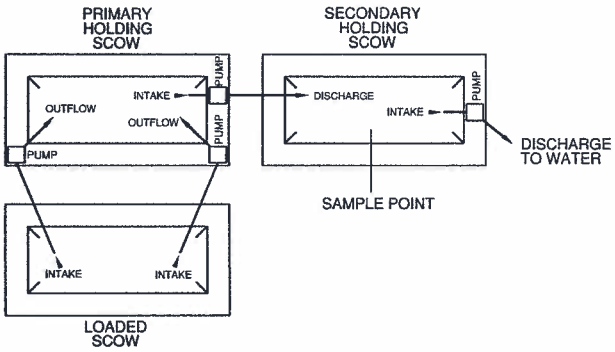
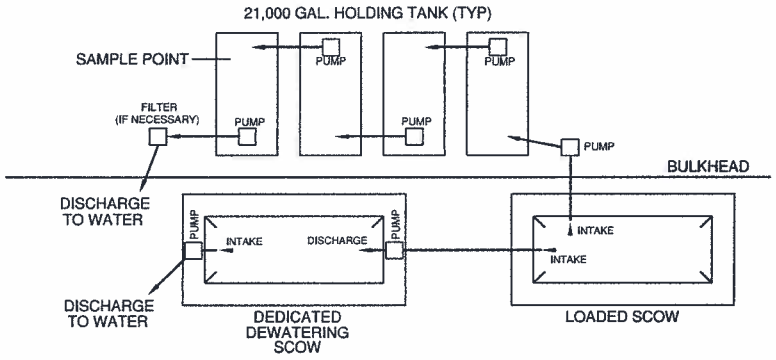
Figure 1C-3



DREDGING SITE DEWATERING



DMRF DEWATERING



General Notes

No.	Revision/Issue	Date

CLEANEARTH Dredging Technologies

DREDGE MATERIAL RECYCLING FACILITY PLAN
BALTIMORE, MD

Project: DREDGE-3.DWG
Date: 5-23-07
Scale:
Sheet: